

Formal Letter and Objection to Chapter 11 Filing. Request for Court Intervention and Equity Protection.

To: The Honorable Judge Alfredo R. Perez
U.S. Bankruptcy Court – Southern District of Texas
Case #25-90113 – Global Clean Energy Holdings, Inc.

United States Courts
Southern District of Texas
FILED
APR 28 2025
Nathan Ochsner, Clerk of Court

Your Honor,

I respectfully submit this letter as formal objection as a common shareholder of Global Clean Energy Holdings, Inc. (GCEH), which is currently undergoing Chapter 11 bankruptcy proceedings under Case #25-90113.

At the time this bankruptcy was filed, GCEH had reached a critical milestone. The Bakersfield Refinery was operational, and a long-term offtake agreement with Vitol Americas Corp had been executed. The company is finally making money. GCEH also maintained full ownership of Sustainable Oils (SusOils), a subsidiary with tangible strategic value that could have been sold to generate liquidity. I believe the company could have met its debt obligations.

Despite these positive developments, management and the board chose to file for Chapter 11 in a manner that effectively wipes out the investments of all common shareholders while protecting insiders, secured lenders, and preferred equity holders. I firmly believe this filing was not a necessity but a strategic maneuver to eliminate common equity holders and protect internal interests. This is a breach of Global Clean Energies' fiduciary responsibilities to shareholders.

I further assert that GCEH's officers and directors have breached their fiduciary responsibilities to shareholders by:

- Failing to explore or disclose alternative solutions to bankruptcy.
- Retaining assets such as SusOils that could have been liquidated to avoid insolvency. This asset should have been sold, and existing debt structures upheld.
- Preserving management control and negotiating insider participation in the post-bankruptcy ownership structure.
- Failing to inform or engage shareholders transparently prior to filing.

Therefore, I respectfully request that the Court:

1. Deny confirmation of the current reorganization plan, which is unjust and inequitable to existing shareholders.
2. Order the company to immediately pursue the sale of Sustainable Oils (SusOils) to satisfy debt obligations without terminating common shareholder value.
3. Direct GCEH to restructure its debts through negotiated extensions or bridge financing, rather than extinguishing shareholder value through a strategic and corrupt bankruptcy.
4. Appoint an official Equity Committee or otherwise ensure that common shareholders have formal representation and discovery rights throughout this process. As a long-term vested shareholder, I request that I be involved directly.

This bankruptcy is a calculated attempt to transfer future value from loyal common shareholders to insiders and secured stakeholders. I believe this constitutes a breach of duty and a manipulation and mockery of the bankruptcy process.

I appreciate your attention to this matter and thank you for your time and consideration.

Respectfully submitted,

David Costaglio

Common Shareholder – Global Clean Energy Holdings (Ticker: GCEH)



4/23/2025

Formal Letter: Objection and Demand for Justification of Operational Suppression

Filed by:

David Costaglio

Common Shareholder – Global Clean Energy Holdings, Inc. (Ticker: GCEH)

Chapter 11 Case #25-90113

U.S. Bankruptcy Court – Southern District of Texas

Hon. Alfredo R. Perez, Presiding

United States Courts
Southern District of Texas
FILED
APR 28 2025

Nathan Ochsner, Clerk of Court

To the Honorable Judge Perez:

I respectfully submit this letter as a formal objection to the Chapter 11 proceedings concerning Global Clean Energy Holdings, Inc. (GCEH), and raise serious concerns regarding the legitimacy and good faith of the Debtor's bankruptcy filing.

At the time of filing, GCEH's core asset, the Bakersfield Refinery, was operational and should be capable of producing up to 15,000 barrels per day of renewable diesel. The company had also executed a long-term offtake agreement with Vitol Americas Corp. Estimating a diesel price of \$2.50 per gallon, full-capacity production would generate over **\$575 million in annual gross revenue**.

Despite this revenue potential, management appears to be operating well below capacity and has made no public effort to justify this underperformance. This gives rise to the alarming inference that the Debtor may be deliberately suppressing production in order to manufacture the appearance of insolvency.

This conduct is analogous to a developer completing an apartment building but refusing to lease the units, then claiming the project is failing due to lack of revenue. If true, this would suggest that the bankruptcy filing is not being used as a legitimate tool of reorganization, but rather as a mechanism to:

- Evade legitimate debt obligations;
- Artificially devalue corporate assets for the benefit of insider creditors and DIP lenders;
- And eliminate existing equity holders — including public common shareholders — under the guise of financial distress.

Such conduct may constitute a breach of fiduciary duty and a lack of good faith under 11 U.S.C. § 1112(b).

In light of these concerns, I respectfully request that the Court demand the Debtor to:

1. **Disclose current and historical production levels** at the Bakersfield Refinery;
2. **Provide detailed justification** for why the refinery is not operating at or near its 15,000 barrel-per-day capacity;

3. **Demonstrate with evidence** that any operational constraints cannot be resolved through commercially reasonable means — including bridge financing, asset sales (e.g., of Sustainable Oils), or alternative restructuring paths.

Until these disclosures are made and scrutinized, I urge the Court to suspend further restructuring actions, including any confirmation of a plan that would extinguish common equity, particularly in light of the refinery's clear revenue-generating capability.

Respectfully submitted,

David Costaglio

Common Shareholder, Global Clean Energy Holdings, Inc. (Ticker: GCEH)



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